

20 KAR 1:060. Unclaimed property; safe deposit boxes or other safekeeping repositories.

RELATES TO: KRS 393.010, 393.020, 393.050, 393.060, 393.062, 393.064, 393.090, 393.110, 393.120

STATUTORY AUTHORITY: KRS 393.280

NECESSITY, FUNCTION, AND CONFORMITY: This administrative regulation relates to the reporting, inventory, safekeeping and liquidation of unclaimed property from holders who maintain safe deposit or other safekeeping repositories.

Section 1. Pursuant to KRS Chapter 393, every holder maintaining safe deposit boxes or other safekeeping repositories located in the Commonwealth shall report to the department with an inventory of property in its possession which constitute unclaimed funds.

(1) An inventory report shall be submitted for each safe deposit box or safekeeping repository. Each report shall be signed by two (2) officials of the holding company who opened the safe deposit box or safekeeping repository and conducted the inventory. Each report shall include a statement containing the following information:

- (a) The name, last known address, and Social Security number of owner;
- (b) The expiration date of the lease or rental agreement for such safe deposit box or other safekeeping repository;
- (c) The date of opening of such safe deposit box or other safekeeping repository;
- (d) The number or identifying description of the safe deposit box or other safekeeping repository;
- (e) A detailed list describing each item therein;
- (f) The name and address of the holder reporting the property; and
- (g) The names, signatures, and official positions of the two (2) holding company employees who opened the box and conducted the inventory.

(2) The property of each safe deposit box or safekeeping repository shall be placed in an individual envelope. A copy of the holder inventory report shall be placed in the envelope. The envelope shall be sealed and initialed on the reverse side by the two (2) holding company employees who conducted the inventory. The name of the owner of the box, date, and holder name shall be printed on the reverse side of the envelope. Transparent sealing tape (of the strong bonding type) shall be placed over the flap of the envelope. A second copy of the holder inventory report shall be attached to the front of the envelope.

(3) The holder shall mail a copy of the report(s) and notify the department of pending delivery of property.

(4) The holder shall be responsible for the secured delivery of the contents of each safe deposit box or other safekeeping repository to the department. The department may take direct delivery from the holder at the holder's place of business or residence.

Section 2. Upon receipt of the contents of the safe deposit box(es) or other safekeeping repository(ies), along with the inventory report(s), the department shall immediately conduct an inventory of property delivered, verify holder report(s), and secure property in the department vault.

(1) The inventory shall be conducted by two (2) department employees with appropriate supervision.

(2) The contents of each envelope will be separated into the following groups:

- (a) TNG - jewelry with gemstones, watches and other valuables;
- (b) MNY - coins and paper money (foreign & domestic) which have numismatic value;
- (c) STK - stock certificates;
- (d) BND - U.S. Savings Bonds;
- (e) INS - insurance policies;

- (f) CSH - Coins and paper money which do not have numismatic value;
- (g) DST - items of no value; and
- (h) OTH - military discharge, birth certificate; photos, etc.

(3) Each item shall be assigned an identification or serial number. A property tag shall be prepared for each group with an assigned owner identification or serial number, name of owner, and Social Security number if available. The groups of tangible property will be placed in individually secured plastic bags. The groups of intangible property shall be placed into folders.

(4) A detailed department inventory statement shall be completed for each safety deposit box or safekeeping repository envelope received. Each statement shall include the following information:

- (a) The name and last known address of the owner(s);
- (b) The name and address of holder reporting the property;
- (c) Date of delivery and holder inventory;
- (d) Date of holder inventory;
- (e) Number or identifying description of the safe deposit box or safekeeping repository;
- (f) Date of department inventory;

(g) A detailed list describing each item therein, separated into groups as stated in subsection (2) of this section;

- (h) The assigned holder identification or serial number;
- (i) The assigned owner identification or serial number; and

(j) An official note signed by department employees, who conducted the inventory, verifying accuracy of holder report. The note shall be signed for approval by a supervisor.

(5) Property shall be secured in the department vault for safekeeping purposes. Tangible property shall be retained for a period of three (3) years and then put to public auction, pursuant to KRS Chapter 393, and proceeds, less costs, paid to the state. Intangible property shall be retained for a period of one (1) year, then liquidated and the proceeds, less costs, paid to the state. Owners of property shall be credited for the amount received through liquidation or auction.

(a) Coins and paper money not of numismatic value shall be deposited for the state immediately and a copy of the pay-in voucher placed in owner's file;

(b) Miscellaneous papers or property of no value shall be retained for a period of three (3) years and, then, destroyed.

(c) The Kentucky Historical Society shall be contacted for determination of items of historical value. Papers or property determined to have historical value shall be retained and may be loaned to the society.

(6) The department shall maintain an accurate inventory and essential information through entry into the computer.

(7) The department shall direct that two (2) employees be present at all times when handling property. Security of property in the vault shall be maintained by the following procedure:

(a) Two (2) employees shall receive written authorization from a supervisor prior to entry to the vault; and

(b) The employees shall state in writing the purpose, property to be handled, the time and date. (21 Ky.R. 685; Am. 1282; eff. 10-12-94.)